

**Fraser & Ross,
Chennai**

**Institute for Financial
Management**

Audited Financial Statements

Year Ended March 31, 2019

Fraser & Ross

Chartered Accountants
ASV N Ramana Tower,
52, Venkatnarayana Road,
T. Nagar,
Chennai - 600 017,
Tamil Nadu, India

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INDEPENDENT AUDITOR'S REPORT

To The Members of Institute for Financial Management and Research Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Institute for Financial Management and Research** ("the Institute"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Institute as at 31 March 2019, and its excess of income over expenditure, its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the financial statements section of our report. We are independent of the Institute in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Institute's Board is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Institute and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



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presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those members of the board are also responsible for overseeing the Institute's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

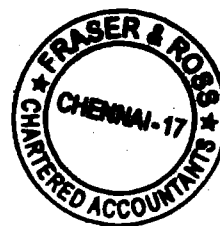
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Fraser & Ross
Chartered Accountants
(Firm Regn. No. 000829S)

Bhavani Balasubramanian

Bhavani Balasubramanian
Partner
Membership No. 22156
UDIN: 19022156AAAABH5230

Place: Toronto
Date: 09th September 2019




Institute for Financial Management and Research
(Registered under the Societies Registration Act XXI of 1860)

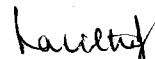
Balance Sheet as at March 31, 2019

PARTICULARS	Schedules	As at March 31, 2019 Rs.	As at March 31, 2018 Rs.
SOURCES OF FUNDS			
Unrestricted funds	1	1,626,220,219	1,204,484,499
Restricted funds	2	1,363,359,172	1,154,547,138
Current liabilities and provisions	3	385,919,610	442,194,821
TOTAL		3,375,499,001	2,801,226,458
APPLICATION OF FUNDS			
Property, Plant and Equipment	4	851,983,080	906,588,003
Capital Work in Progress		24,337,144	-
Current assets	5	2,294,246,585	1,732,517,425
Loans, advances and deposits	6	204,932,192	162,121,030
TOTAL		3,375,499,001	2,801,226,458


Chennai
Date: 09-09-2019


R Seshasayee
Chairman


N Vaghul
Governor


Lalitha J
Chief Financial Officer

In terms of our report attached
For Fraser & Ross
Chartered Accountants
(Firm Regn. No. 000829S)


Bhavani Balasubramanian
Partner
Membership No. 22156



Institute for Financial Management and Research
(Registered under the Societies Registration Act XXI of 1860)

Income and Expenditure Account for the year ended March 31, 2019

Particulars	Schedules	For the Year Ended March 31, 2019			For the Year Ended March 31, 2018		
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME							
Course and Seminar fees		-	-	6,954,171	287,297,941	-	287,297,941
Transfer from							
- Research Project		-	-	460,535,163			
- Project Grants transferred from Research Project Fund		-	-	704,087,198			
Project reimbursements		-	-	123,928,047			
Other income	7	73,368,512	50,559,535		3,544,273	415,357,201	415,357,201
TOTAL (A)		73,368,512	1,222,136,067	1,295,504,579	354,675,343	1,272,102,084	1,626,777,427
EXPENDITURE							
Course and Seminar expenses		-	6,954,171	6,954,171	48,770,310	-	48,770,310
Research project expenses		-	1,164,617,619	1,164,617,619	4,335,542	-	1,213,484,587
Employee benefit expenses		12,977,330	36,817,836	49,795,166	115,671,669	1,209,149,045	1,59,071,714
Administrative and general expenses	8	5,739,978	31,581,538	37,321,516	73,776,600	43,400,045	96,574,803
Depreciation and amortisation expenses	9	69,014,150	10,843,242	79,857,392	68,258,972	11,861,445	80,120,417
Less: Share of expenses absorbed under project expenses		(54,940,733)	(62,399,754)	(117,340,487)	(53,589,019)	(59,182,324)	(112,771,343)
TOTAL (B)		32,790,725	1,188,414,652	1,221,205,377	257,224,074	1,228,026,414	1,485,250,488
Excess of income over expenditure		40,577,787	33,721,415	74,299,202	97,451,269	44,075,670	141,526,939
Surplus on sale of land and building		391,203,710	-	391,203,710	-	-	-
Excess of Income over Expenditure transferred to :-		431,781,497	33,721,415	465,502,912	97,451,269	44,075,670	141,526,939
General fund		431,781,497	-	431,781,497	97,451,269	-	97,451,269
Research project fund		-	33,721,415	33,721,415	-	44,075,670	44,075,670

In terms of our report attached
For Fraser & Ross
Chartered Accountants
(Firm Regn. No. 000829S)

Bhavan Balasubramanian

Bhavan Balasubramanian
Partner
Membership No. 22156

Lalitha J

Lalitha J
Chief Financial Officer

R Seshasayee

R Seshasayee
Chairman

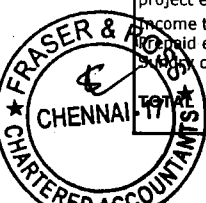
Chennai
Date: 09-09-2019

N Vaghul
Governor



Institute for Financial Management and Research
Schedules forming part of the financial statements

Particulars	As at March 31, 2019 Rs.		As at March 31, 2018 Rs.	
	Unrestricted Funds	Restricted Funds	Unrestricted Funds	Restricted Funds
Schedule 1 - Unrestricted Funds				
General Fund				
Opening balance	1,163,580,778		1,066,129,509	
Less: Transfer to Designated fund	-		-	
Less: Transfer to Krea University Endowment Fund	(12,500,000)			
Add: Excess of income over expenditure	431,781,497		97,451,269	
Closing Balance	1,582,862,275	-	1,163,580,778	-
Designated Fund				
Opening Balance	40,903,721		38,588,416	
Add: Interest on Designated Fund	2,454,223		2,315,305	
Closing Balance	43,357,944	-	40,903,721	-
Total Unrestricted Funds	1,626,220,219	-	1,204,484,499	-
Schedule 2- Restricted Funds				
Donations				
Opening Balance		30,000,000		
Add: Contribution received		53,000,000		30,000,000
Less: Utilization		(6,954,071)		
Add: Interest on Donations		2,276,137		
Closing Balance		78,322,066		30,000,000
Research Funds				
Opening balance - Research Project Funds		958,434,769		816,900,115
Less: Transfer to Specific Project fund		-		(9,777,294)
Add: Research Grants received during the year		541,280,925		500,404,527
Add: Interest on Specific Project fund		29,187,339		22,188,952
Less: Transferred to Income and Expenditure account in respect of current year utilisation		(460,535,163)		(415,357,201)
Add: Excess of income over expenditure		33,721,415		44,075,670
Closing Balance Research Project funds		1,102,089,285		958,434,769
Designated Fund				
Opening Balance		139,174,246		131,296,459
Add: Transfer from Research Project Fund		-		-
Add: Interest on Designated Fund		8,350,452		7,877,787
Closing Balance Designated Funds		147,524,698		139,174,246
Deferred Income				
Opening Balance		26,938,123		28,453,123
Received during the year		10,000,000		
Depreciation/ammortization charged		(1,515,000)		(1,515,000)
Closing Balance		35,423,123		26,938,123
Total Restricted Funds	-	1,363,359,172	-	1,154,547,138
Schedule 3 - Current liabilities and provisions				
Current liabilities				
Sundry creditors	30,497,708	27,643,851	9,016,739	24,660,657
Payables on purchase/ construction of fixed assets	10,223,645	-	2,873,268	-
Students Caution Deposits	50,000	-	19,901,832	-
Funds received in advance for projects	-	249,290,193	4,906,430	251,873,278
Fees received in advance	-	-	54,370,386	-
Other liabilities	5,616,410	47,818,590	19,493,835	30,524,076
Provision for compensated absences	415,490	11,031,293	2,210,913	11,467,542
Provision for Gratuity	387,907	2,944,523	10,895,865	(0)
	47,191,160	338,728,450	123,669,268	318,525,553
Schedule 5 - Current assets				
Interest accrued on deposits	43,935,825	39,760,924	14,833,985	40,226,408
Accounts receivable				
Fees/ program income receivable	2,710,075	-	6,276,845	-
Amounts receivable from donors against reimbursement of project expenses (Refer Note No 11.8)	-	33,431,057	-	40,679,765
Cash and bank balances				
Balances with banks				
- in current account	5,228,440		2,197,318	
- in savings account	10,006,664	29,719,270	32,562,040	15,330,327
- in deposit accounts	855,434,674	1,274,019,657	412,931,038	1,154,979,699
- in deposit accounts (security deposit held jointly with AP Govt), (Refer Note No 11.6)	-	-	12,500,000	-
TOTAL	917,315,678	1,376,930,908	481,301,226	1,251,216,199
Schedule 6 - Loans and advances				
Advances recoverable in cash or in kind (Refer Note No 11.5)	21,847,503	56,209,382	13,340,998	29,568,695
Capital advances (Refer Note No 11.7)	5,518,066		2,636,706	
Amounts to be billed to donors against reimbursement of project expenses (Refer Note No 11.8)	-	66,123,083	1,196,858	51,152,630
Income tax deducted at source	10,270,988	21,251,407	7,866,379	21,875,028
Prepaid expenses	1,126,056	368,265	16,232,950	538,199
Security deposits	8,896,701	13,320,741	4,117,368	13,595,219
	47,659,314	157,272,878	45,391,259	116,729,771



Schedule 4 - Property, Plant, and Equipment

Particulars	Gross Block				Accumulated Depreciation/Amortisation				Net Block	
	Balance as at April 1, 2018	Additions	Deletions	Balance as at March 31, 2019	Balance as at April 1, 2018	For the year	Elimination on disposal of assets	Balance as at March 31, 2019	Balance as at March 31, 2019	Balance as at March 31, 2018
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold land	7,869,162	-	180,945	7,688,217	-	-	-	7,688,217	7,869,162	
Leasehold land	84,271,987	-	-	84,271,987	5,427,474	805,762	-	6,233,236	78,038,751	78,844,513
Buildings	740,486,852	11,137,823	7,233,830	744,390,845	127,812,058	37,177,091	1,275,156	163,713,993	580,676,852	612,674,795
Plant (solar)	32,834,075	-	-	32,834,075	1,583,266	1,546,672	-	3,129,939	29,704,136	31,250,809
Roads	23,267,464	-	-	23,267,464	7,429,547	2,326,746	-	9,756,293	13,511,171	15,837,917
Electrical fittings	112,260,983	1,805,551	830,456	113,236,078	38,201,392	11,322,783	543,597	48,980,578	64,255,500	74,059,590
Furniture and office equipment	61,912,161	4,118,915	25,231,031	40,800,045	35,372,176	4,060,981	23,761,978	15,671,179	25,128,866	26,539,985
Computers	97,020,517	12,628,873	17,889,278	91,760,112	63,689,665	10,908,174	15,997,142	58,600,697	33,159,415	33,330,852
Air-conditioners	30,195,010	3,327,161	3,493,391	30,028,780	19,249,001	3,787,339	2,979,269	20,057,071	9,971,709	10,946,008
Miscellaneous and other equipment	40,415,202	4,602,026	6,124,263	38,892,965	27,225,570	8,561,642	5,145,970	30,641,242	8,251,723	13,189,632
Vehicle	4,220,627	-	-	4,220,627	3,096,657	649,223	-	3,745,879	474,748	1,123,971
Library books	10,446,074	-	10,946	10,435,128	10,281,807	42,768	10,947	10,313,628	121,500	164,267
Software	1,345,282	427,202	-	1,772,484	588,781	183,211	-	771,992	1,000,492	756,502
TOTAL	1,246,545,397	38,047,550	60,994,139	1,223,598,808	339,957,394	81,372,392	49,714,058	371,615,728	851,983,080	906,588,003

* Note : Depreciation on land represents amortisation of leasehold land over the lease period of 99 years



INSTITUTE FOR FINANCIAL MANAGEMENT & RESEARCH
(Registered under the Societies Registration Act XXI of 1860)

Cash Flow Statement for the Year ended March 31, 2019

Particulars	For the Year Ended March 31, 2019 Rs.	For the Year Ended 31st Mar 2018 Rs.
Cashflow from operating activities		
Surplus for the Period		
Adjustments for:	465,502,912	141,526,939
Depreciation		
Loss on sale of asset (net)	79,857,392	80,120,417
Surplus on sale of land and building	905,154	766,252
Provision for Employee Benefits	(391,203,710)	
Interest income	(9,795,107)	10,412,662
Surplus before changes in Current Assets / Current Liabilities:	(102,205,660)	(77,483,077)
	43,060,981	155,343,192
Decrease/ (Increase) in Current Assets	(27,333,337)	(68,522,055)
Increase/(Decrease) in Current Liabilities	(53,830,480)	(32,368,356)
Cash generated from Operations	(38,102,836)	54,452,781
Net Income tax paid	(1,780,988)	(4,861,627)
Net Cash Flow from Operating Activities	(39,883,824)	49,591,155
Cash Flow From Investing Activities		
Interest on Deposits	115,837,456	105,172,274
Proceeds from sale of fixed assets	401,578,640	422,378
Capital Expenditure on Fixed Assets including Capital Advances	(57,915,678)	(20,560,594)
Investment in Fixed Deposits	(689,599,857)	(39,255,372)
Net Cash Flow used in Investing Activities	(230,099,439)	45,778,686
Cash Flow From Financing Activities		
Contribution to General Fund	46,045,929	
Transfer to Krea Endowment Fund	(12,500,000)	
Deferred Income (Specific Contribution)	10,000,000	(9,777,294)
Grants received in advance	80,745,762	115,047,326
Net Cash Flow from Financing Activities	124,291,691	105,270,032
Net Increase/ (Decrease) in Cash and Cash Equivalents	(145,691,574)	200,639,871
Cash & Cash Equivalents at the beginning of the year	260,645,944	60,006,073
Cash & Cash Equivalents at the end of the year	114,954,370	260,645,944
Reconciliation of Cash & Cash equivalents:		
Cash & bank balances as per Balance Sheet (Refer Schedule 5)		
Less: Deposits - original maturity more than 3 months	2,174,408,705	1,630,500,422
Net Cash & Cash equivalents (as defined in AS 3 Cash Flow Statement) included in Schedule 5	2,059,454,335	1,369,854,478
	114,954,370	260,645,944
Cash and cash equivalents at the end of the year comprises of		
(a) Cheques in Hand		
(a) Balances with banks		
- in current account	5,228,440	2,197,318
- in savings account	39,725,934	47,892,367
- in deposit accounts - original maturity 3 months or less	69,999,996	210,556,259
	114,954,370	260,645,944



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Notes to the Financial Statements for the year ended March 31, 2019

Back Ground:

IFMR is a not for profit Society established in 1970 and registered under Societies Registration Act XXI of 1860. The Institute is engaged in education and research activities. It has established research centers to undertake research in the areas of finance, insurance, social science, environment etc.

The Government of Andhra Pradesh has vide G.O.Ms.No 23 dated May 23, 2017 included IFMR University in the Schedule of the Andhra Pradesh Private Universities (Establishment and Regulation) Act, 2016, with IFMR as the sponsoring body.

IFMR decided to rename the University as Krea University and applied to the Andhra Pradesh Government for a change of name in December 2017. The A.P. Government granted the name change and notified the Krea University vide a publication in the Andhra Pradesh Gazette on April 30, 2018 (reference Act No. 18 of 2018)

IFMR as the sponsoring body has set up Krea University as per guidelines of the AP Act. The Governing Council, the apex body of the University have been formed in March, 2018. The Chancellor and Vice Chancellor have been appointed in March 2018 as per the Act.

10 Significant Accounting Policies:

10.1 Basis of Accounting:

The financial statements of the Institute have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and the recognized accounting policies and practices, to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

10.2 Income:

- a) All course and seminar fees are accounted on accrual & time proportion basis
- b) All Donations, Grants, Endowments and monies received towards project funds are accounted on receipt basis.
- c) General donations and grants are treated as capital receipts and taken to Restricted Fund.
- d) Grants whose primary condition is that the Institute should purchase, construct or otherwise acquire capital assets are treated as deferred income which is recognized in the Income and Expenditure account on a systematic and rational basis over the useful life of the related asset.
- e) Fellowships, endowments and grants received for specific purposes are kept in the respective funds.
- f) Monies received towards joint research project are taken to project fund.
- g) Reimbursements receivable for project expenses are treated as income on accrual basis.
- h) Interest income is accounted on a time proportion basis



INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH
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Notes to the Financial Statements for the year ended March 31, 2019

10.3 Property, Plant, and Equipment and Depreciation:

Assets are recorded at cost of acquisition and any directly attributable expenditure on making the asset ready for its intended use. Depreciation on fixed assets is charged on the straight-line method at the following rates:

Asset Category	Rate %
Leasehold land	Over the lease period
Buildings	5
Solar Power Plant	5
Electrical fittings and furniture	10
Roads	10
Air-conditioners	15
Fire Protection Equipments	25
Other miscellaneous equipment	25
Computer including software, vehicles and library books	20

10.4 Capital work-in-progress

Fixed assets that are not yet ready for their intended use are carried at cost, comprising of direct cost and related incidental expenses.

10.5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

10.6 Cash flow statement

Cash flows are reported using the indirect method, whereby Income / (expenditure) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Institute are segregated based on the available information.

10.7 Employee Benefits:

Defined contribution plans:

- a. Provident Fund: IFMR PF Trust was surrendered to the EPFO as on March 31, 2018. Effective April 01, 2018, PF contributions are made to the EPFO.
- b. Super Annuation Fund: The Institute makes contribution to a scheme administered by the Life Insurance Corporation of India (LIC) to discharge its liabilities towards super annuation to the employees. The Institute has no other liability other than its contribution.



INSTITUTE FOR FINANCIAL MANAGEMENT AND RESEARCH
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Notes to the Financial Statements for the year ended March 31, 2019

Defined benefit plans (Long term employee benefits):

Gratuity: The Institute makes its contribution to a Gratuity fund administered by the Life Insurance Corporation of India (LIC) to discharge gratuity liability to the employees. The Institute accounts for its liability for future gratuity benefits based on actuarial valuation, as at the balance sheet date, determined by actuary consultant using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

Compensated absences: The Institute records its liability for compensated absences based on actuarial valuation as at the balance sheet date using the projected unit credit method. Effects of changes in actuarial valuation are immediately recognized in the income and expenditure account.

Short term employee benefits are recognized as an expense as per the Institute's scheme based on expected obligations on an undiscounted basis.

10.8 Foreign Currency Transaction:

- a. All foreign contributions received as grants are recorded at the rates prevailing on the date when the credit is given by the bank, to the Institute's account. Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/ gain are dealt with in the Income and Expenditure account.
- b. Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain/loss is suitably dealt with in the Income and Expenditure account.

10.9 Segment Reporting:

After transfer of Business School operations to Krea University, the Institute operates in only one segment viz in Research activities. Therefore the Segment reporting requirement does not apply to IFMR. Within the single segment we have restricted and non restricted funds which are duly disclosed in the Balance Sheet and Profit and Loss Account.

10.10 Designated Funds

The Board in its meeting on October 23, 2015 decided to earmark certain funds in General and in Research project Funds as Designated funds for future use as may be determined by the Board. Interest earned on these funds are accumulated along with the principal funds.



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Notes to the Financial Statements for the year ended March 31, 2019

11. Notes on Accounts:

11.1 Employee Benefits:

The Institute makes Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Institute is required to contribute a specified percentage of the payroll costs to fund the benefits. In the case of Provident Fund effective from 01.04.2018, the institute makes PF contributions to the EPFO. The Institute recognized Rs.2,194,666 (Year ended March 31, 2018 Rs. 3,226,772) for Provident Fund contributions Rs.73,736 (Year ended March 31, 2018 Rs. 1,147,029) for Superannuation Fund contributions. The contributions payable to these plans by the Institute are at rates specified in the rules of the schemes.

The details of actuarial valuation in respect of Gratuity liability are given below:

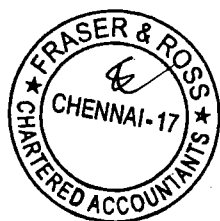
i. Particulars	Rs.	
	31.03.2019	31.03.2018
Projected benefit obligation as at the beginning of the year	28,723,770	20,392,114
Service cost		
Interest cost	9,593,673	8,606,677
Transferred out during the year (Refer Note 11.3)	2,105,322	1,478,428
Actuarial Loss/(gains)	(10,351,090)	-
Benefits Paid	(6,976,738)	1,756,118
	(2,334,409)	(3,509,567)
Projected benefit obligation at the end of the year	20,760,528	28,723,770

ii. Particulars		
	31.03.2019	31.03.2018
Fair value of plan assets as at the beginning of the year	17,827,906	16,804,958
Expected return on plan assets	1,779,745	1,355,732
Contributions	10,895,864	3,582,441
Benefits paid	(2,334,409)	(3,509,567)
Transferred out during the year (Refer Note 11.3)	(10,351,090)	-
Actuarial gain/(losses) on plan assets	(389,919)	(405,658)
Fair value of plan assets	17,428,098	17,827,906

iii. Amount recognized in the Balance Sheet		
	31.03.2019	31.03.2018
Projected benefit obligation at the end of the year	20,760,528	28,723,770
Fair value of plan assets at the end of the year	17,428,098	17,827,906
Liability recognized in the balance Sheet	3,332,430	10,895,864

iv. Cost of the defined plan for the Year		
	31.03.2019	31.03.2018
Total Service cost	9,593,673	8,606,677
Interest on obligation	2,105,322	1,478,428
Expected return on planned assets	(1,779,745)	(1,355,732)
Net actuarial (gains)/losses recognized in the year	(6,586,820)	2,161,777
Net cost recognized in the Income and expenditure account	3,332,430	10,891,150

v. Assumptions		
	31.03.2019	31.03.2018
Discount Rate	7.50%	7.64%
Expected rate of return	8.09%	8.05%
Salary escalation	8%	8%



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Notes to the Financial Statements for the year ended March 31, 2019**Actuarial Calculations (Gratuity Plan) as per AS 15:**

		Rs.	
	Experience History	31.03.2019	31.03.2018
1	Defined Benefit Obligation at end of the period	20,760,528	28,723,770
2	Plan Assets at end of the period	17,428,098	17,827,906
3	Funded Status	(3,332,430)	(10,895,864)
4	Experience Adjustments on Plan liabilities	(6,976,738)	2,460,122
5	Experience Adjustments on Plan Assets	(389,919)	(405,658)

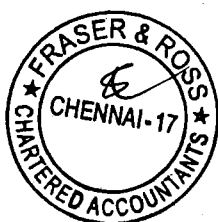
- 11.2** Pursuant to the approval of the Board of Directors in their meeting dated April 20, 2018, the land and building at Kothari Road campus has been sold for a consideration of Rs. 397.5 million in July 2018.

11.3 MOU between University and Sponsoring Body:

Pursuant to the Framework Agreement between IFMR and Krea University, the operations of Krea University were conducted by IFMR as part of its sponsoring body obligations for the period from 1st April 2018 to 31st December 2018.

A transfer of income and expenses of this period along with the assets and liabilities, as on 31st December 2018 was done from IFMR to Krea University, post which the University started its own operations. Details of the balances transferred and accounted in Krea's books were as under

Particulars	Amount (Rs.)
Property, Plant and Equipment	7,337,233
Current Assets	9,894,494
Receivable from IFMR	123,015,696
Interest on Endowment Fund – Due from IFMR	745,548
Loans and Advances	16,059,047
Cash and Fixed deposits	128,500,000
Endowment Fund – Security Deposit held jointly with AP Govt	12,500,000
Total Assets	298,052,018
Surplus for the period	7,661,736
Endowment Fund	13,245,548
Donation fund	104,573,152
Current Liabilities	168,323,471
Provisions	4,248,111
Total Liabilities	298,052,018



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Notes to the Financial Statements for the year ended March 31, 2019

11.4 Related Party Transactions:

IFMR as a sponsoring body established Krea University under the Andhra Pradesh Private Universities (Establishment and Regulation) Act, 2016. By virtue of this Krea University is a related party.

Except as disclosed in Section 11.3 of Notes to Accounts, no other transactions have been entered into during the year.

An amount of Rs 22.5 million is due from IFMR to Krea as on 31st March 2019.

11.5 Loans & Advances includes Rs.10 million being the application fee paid in December 2017 for the 'Institutions of Eminence (IOE)' status with the University Grants Commission (UGC). IFMR is yet to receive any formal communication in this regard from UGC.

11.6 IFMR as Sponsoring Body of Krea University has established an Endowment Fund in KREA University for an amount of Rs 12.5 million as per rules notified vide G.O.MS. No 22 dated May 18, 2017.


11.7 Capital advances include Rs 55,18,016/- mainly towards Interior electrical works in Sricity for Rs.54,51,252/-

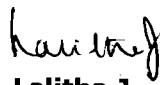
11.8 The Institute accrues the reimbursements recoverable from donors towards expenses incurred on projects. These reimbursements have been included under Accounts Receivable to the extent invoiced to donors and have been included under Loans and Advances to the extent they are yet to be billed.

11.9 Previous year's figures are not comparable due to transfer of Business School operations to Krea University in the current year. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

Chennai
09-09-2019


R Seshasayee
Chairman


N Vaghul
Governor


Lalitha J
Chief Financial Officer

